SELECTION OF CONTRACTOR
FOR
ELECTRICAL SYSTEMS ENGINEERING SERVICES

On November 10, 2004, I along with senior officials at Goddard Space Flight Center met with members of the Source Evaluation Board (SEB) to hear their findings based on the evaluation of proposals for the Electrical Systems Engineering Services (ESES) contract.

PROCUREMENT DESCRIPTION

This 8(a) set-aside competitive procurement will produce the primary contract to secure electrical engineering services for the Applied Engineering and Technology Directorate at Goddard Space Flight Center for a five-year ordering period. Under this effort, the Contractor shall provide electrical engineering support services for the study, design, development, fabrication, integration, testing, verification, and operations of space flight, airborne, and ground system hardware and software, including development and validation of new technologies to enable future space and science missions.

EVALUATION PROCEDURES

The Request for Proposal (RFP) defined the evaluation factors as Mission Suitability, Cost/Price and Past Performance. The RFP specified the relative order of importance of the evaluation factors as follows: "The Cost Factor is significantly less important than the combined importance of the Mission Suitability Factor and the Past Performance Factor. As individual Factors, the Cost Factor is less important than the Mission Suitability Factor but more important than the Past Performance Factor."

The RFP established that only the Mission Suitability evaluation factor would be point scored in the evaluation process. The Mission Suitability factor consisted of the following sub-factors with assigned points as indicated:

Mission Suitability Sub-Factors	Points
Sub-factor A - Understanding Requirements	450
Sub-factor B - Capabilities	150
Sub-factor C - Management Plan	350
Sub-factor D - Safety & Health Plan	50
TOTAL	1,000

Prior to the issuance of the RFP, the SEB developed detailed evaluation criteria and the numerical scoring system for Mission Suitability as delineated above. The RFP explained the evaluation procedures, and specifically described the evaluation factors and sub-factors, provided

the Mission Suitability numerical scoring scheme and specified the criteria to be used in the evaluation.

Regarding the Cost/Price Factor, the RFP stated that the proposed costs of the Representative Task Orders (RTOs) and the rates proposed will be evaluated for reasonableness and cost realism, in accordance with FAR 15.305(a)(1) and NFS 1815.305(a)(1)(B) and (C).

The Past Performance evaluation was conducted in accordance with FAR 15.305(a)(2) and NFS 1815.305(a)(2). With the Past Performance factor, the relevant experience of the Offerors, along with teaming partners and major subcontractor(s), were evaluated in four areas: Technical Performance, Schedule Performance, Cost Performance and Business Relations. The Past Performance Factor was not scored. One of the following adjectival ratings was assigned: Excellent, Very Good, Good, Fair, or Poor.

EVALUATION PROCESS

As NASA's Source Selection Authority for this procurement, I appointed the SEB, along with a team of Technical Consultants and Business/Management analysts, comprised of members from appropriate disciplines, to assist in proposal evaluation. The SEB developed and incorporated into the RFP a set of detailed criteria for evaluation. A draft RFP was issued March 26, 2004 for industry comment. The final RFP was released May 7, 2004. Subsequently, four amendments followed to make changes to the solicitation. Amendment 1 (issued May 19, 2004) revised provision L.15, Cost Volume, to revise the threshold for submission of subcontractor cost data, and revised the Statement of Work to delete an invalid specification. Amendment 2 (issued May 25, 2004) added provision L.9, Site Visit to Contractor Facilities. Amendment 3 (issued June 28, 2004) revised Representative Task Orders (RTO) Three and Four to remove ambiguities and add missing Applicable Documents in these RTOs. Amendment 4 (issued August 28, 2004) revised RTO Four to further remove ambiguities and correlate task requirements to Deliverables. Also, Amendment Four clarified the cost data that would be presented to the SSA, namely, the average hourly rate computed both with and without hardware plug figures.

The following companies submitted written proposals by the June 9, 2004 due date:

Muñiz Engineering, Inc. (MEI)
16903 Buccaneer lane, Suite 200
Houston, TX 77058-2548

SGT, Inc.
7701 Greenbelt, Road, Suite 400
Greenbelt, MD 20770

Operating as an integrated team, along with the use of technical consultants and business/management non-voting members, the SEB completed its initial evaluation of the two proposals on October 14, 2004, and documented its findings in a written report.

MISSION SUITABILTY EVALUATION

After scoring each sub-factor in accordance with the weights delineated in the RFP, the scores placed the proposals in the following order:

1. Muñiz Engineering, Inc. (MEI)
2. SGT, Inc. (SGT)

The substance of the SEB's evaluation of Mission Suitability for each proposal follows:

MUÑIZ ENGINEERING, INC. (MEI)

The MEI proposal received an overall adjectival rating of "Excellent" and the highest Mission Suitability score exceeding the competing Offeror's score by a significant amount. Out of the four sub-factors for Mission Suitability, the MEI proposal received the highest score in sub-factors A & C, the same score as the SGT proposal in sub-factor B, and was slightly lower than the SGT proposal in sub-factor D.

For Sub-factor A, MEI received four (4) significant strengths, four (4) strengths and two (2) weaknesses. The significant strengths identified were, as follows: (1) an overall, excellent understanding, technical approach, and experience in many of the implementation phase services SOW elements including power, software support to instruments and spacecraft, radiation analysis, component technologies, I&T, data management, launch/post launch operations, optics, and thermal; (2) an outstanding in-depth understanding of the services and procedures required for parts and materials requirements for GSFC projects, with extensive experience; (3) a comprehensive and outstanding understanding of the requirements, along with inclusion of complete sets of critical issues, risks, risk mitigation, and assumptions for RTO-3; (4) an outstanding understanding of RTO-4, with a thorough and extensive WBS structure along with a comprehensive discussion of risks and their mitigation. The strengths identified were, as follows: (1) an excellent understanding, technical approach, and experience in several areas of the other services SOW functions (Candidate Study Services, Education Services, Standards and Process), and a strong capability in Project and Configuration Management in Function 2 Management area; (2) an excellent understanding in Research and Technology Services including solid state devices, instrument systems, microwave/millimeter wave technology, and power systems; (3) a thorough understanding of and technical approach to RTO-1, with comprehensive risks, trades and planned customer interaction; (4) a thorough understanding of complexities and technical approach to RTO-2, especially in the CCR generation/action discussion. The weaknesses identified were, as follows: (1) an incomplete discussion and limited experience in the areas of detector, GN&C, and contamination control services task and (2) and an inadequate staffing plan that led to moderate staffing adjustments for RTO's one through four.

For Sub-factor B, MEI received one (1) significant strength, and two (2) strengths. The significant strength identified was, as follows: (1) outstanding critical facilities and equipment at subcontractor sites that are fully committed and available for the ESES use. The strengths identified were, as follows: (1) a comprehensive workforce plan with an approach that

anticipates future requirements and ensures employee skills remain current and in step with evolving GSFC needs; and (2) a competitive compensation plan to attract and retain a high quality staff.

For Sub-factor C, MEI received two (2) significant strengths, and two (2) strengths. The significant strengths identified were, as follows: (1) a very effective management interface to NASA; and (2) an outstanding understanding of the attributes of a smooth phase-in period. The strengths identified were, as follows: (1) a solid understanding, approach, and experience in the task order and risk management processes; (2) a motivating employee award fee sharing plan.

For Sub-factor D, MEI received one (1) strength. The strength identified was, as follows: (1) a thorough and compliant Safety and Health Plan.

The SEB found no significant weaknesses and no deficiencies in the MEI proposal.

SGT, INC.

The SGT proposal received an overall adjectival rating of "Good" which included the impact of a Mission Suitability point adjustment. The SGT proposal received a mission suitability point adjustment because of cost adjustments in the 11 - 20% range.

For Sub-factor A, SGT received three (3) significant strengths, three (3) strengths, two (2) significant weaknesses and one (1) weakness. The significant strengths identified were, as follows: (1) an overall, excellent understanding, technical approach, and experience in a majority of the implementation phase services SOW elements including detectors, power, software support to instrument and spacecraft, radiation analysis, component technologies, environmental testing, RF, fabrication/assembly, data management, launch/post launch operations, optics and thermal; (2) an outstanding in-depth understanding of the services and procedures required for parts and material requirements for GSFC projects with extensive experience; (3) an outstanding understanding of and approach to RTO-2, with thorough and extensive mission impact and EPS trade analyses. The strengths identified were, as follows: (1) an excellent understanding, technical approach, and experience in several areas of the other services SOW functions (Candidate Study Services, Preliminary Analysis Services, Documentation Services, Emergency Repair, Standards and Process), and a strong capability in Project Management, System Engineering, and Multi-disciplinary Analysis Services in Function Two; (2) an excellent understanding and technical approach, and experience in Research and Technology Services including instrument systems, photonics, microwave/millimeter wave technology, power systems, software systems, and demonstration/presentation/conference services; (3) a thorough understanding of the technical requirements of RTO-4, with a logical WBS and a comprehensive schedule. The SGT proposal received the following two significant weaknesses: (1) a very poor understanding of RTO-1 task requirements as evidenced by faulty assumptions, an incomplete response to RTO requirements, an inappropriate technical approach, and a weak set of critical issues; and (2) an overall unrealistic staffing plan to accomplish RTO objectives. The SGT proposal received the following weakness: (1) a poor understanding in the response to the solid state research device section of the SOW, by not adequately demonstrating

experience and knowledge in the R&D section of semiconductor, surface mount, and multi-chip module technologies.

For Sub-factor B, SGT received one (1) significant strength, and two (2) strengths. The significant strength identified was: (1) outstanding critical facilities at subcontractor sites that are fully committed and available for the ESES use. The strengths identified were, as follows: (1) a thorough understanding and strong capability in workforce staffing and incumbent capture; (2) a competitive compensation plan to attract and retain high quality staff.

For Sub-factor C, SGT received one (1) significant strength, and three (3) strengths. The significant strength identified was: (1) a comprehensive phase-in plan based on significant, relevant experience and cognizant personnel. The strengths identified were, as follows: (1) an excellent understanding and approach in the Task Order, Risk, and Property Management processes; (2) a sound basis for subcontracting; (3) a motivating award fee sharing plan to incentivize employee performance.

For Sub-factor D, SGT received one (1) strength. The strength identified was, as follows: (1) a thorough and compliant Safety and Health Plan.

The SEB found no deficiencies in the SGT proposal.

PAST PERFORMANCE EVALUATION

For the Past Performance factor, each offeror, along with their teaming partner(s) or major subcontractor(s), was evaluated based on the following areas: Technical Performance, Schedule Performance, Cost Performance, and Business Relations.

This evaluation process rated MEI along with their team members/subcontractors as "Excellent." This rating is based on the overall responses received in all four evaluation areas. MEI presented five contracts with relevant experience. Overall, MEI received mostly "Excellent" ratings, a number of "Very Good" and a couple of "Good" ratings. MEI's subcontractor had relevant experience and received a mix of Excellent and Very Good ratings.

This evaluation process rated SGT Inc. (SGT) along with their team members/subcontractors as "Excellent." This rating is based on the overall responses received in all four evaluation areas. SGT presented three contracts with relevant experience. Overall, SGT received mostly Excellent and a few "Very Good" ratings. SGT's subcontractors had relevant experience and received a significant amount of Excellent and many Very Good ratings.

COST/PRICE EVALUATION

The proposed costs of the Representative Task Orders (RTOs) and the rates proposed were evaluated for reasonableness and cost realism. Labor category rates and indirect rates for both offerors were found to be reasonable. The only probable cost adjustments made to rates were to

correct proposal errors and to use to ceiling rates offered. Each RTO was evaluated for cost realism, and each RTO for all offerors was adjusted to probable cost. Causes for adjustments were inadequate skill mix, over- or under-estimates of labor hours, and incomplete other direct costs. Costs realism adjustments impacted both total RTO cost and the average hourly rates.

SGT proposed a lower total RTO cost by a significant amount, a lower average hourly rate (computed without the hardware plug figures) by a slight margin and a higher average hourly rate (computed with the hardware plug figures) by a significant margin. After probable cost adjustments, the differences between the offerors diminished significantly. MEI's probable total RTO cost was moderately higher than SGT's probable total RTO cost. MEI's probable average hourly rate (computed without the hardware plug figures) was slightly higher than SGT's. MEI's probable average hourly rate (computed with the hardware plug figures) was moderately lower than SGT's.

There is no difference in Phase-In costs between MEI and SGT.

DECISION

In addition to the presentation materials, I carefully reviewed the SEB's detailed report of its deliberations and findings. This review provided the factual background and analytical context to understand and consider the materials and views presented. The Mission Suitability evaluation provided the key discriminators in making the selection. The Past Performance rating assigned by the board was the same for both proposals, as such past performance proved not to be a discriminator.

Regarding Mission Suitability, the SEB found significant differences among the proposals, rating the MEI proposal "Excellent" and the SGT proposal, after the Mission Suitability cost realism adjustment, "Good." The MEI proposal demonstrated an outstanding understanding of the requirement, both for the various elements of the Statement of Work and the hypothetical problems associated with the Representative Task Orders. The MEI proposal offered outstanding critical facilities and equipment, a very effective management interface to NASA and an outstanding phase-in plan.

The SGT proposal also demonstrated an excellent understanding of the requirements of the Statement of Work, a strong phase-in plan and outstanding critical facilities and equipment. However, SGT did not demonstrate an understanding of RTO 1, given the insufficient discussion of the task objectives and problems. Although SGT shows trade studies being completed in their schedule, there is inadequate description of the type of trades being performed or the technical, cost, and schedule advantages and disadvantages of each evaluation, as required. Additionally, SGT offered an overall unrealistic staffing plan for all four Representative Task Orders, which further demonstrated a lack of understanding of a key determinant of successful contract performance.

MEI's probable total RTO cost was moderately higher than SGT's. MEI's probable average hourly rate (computed without the Hardware plug figures) was slightly higher than SGT's.

MEI's probable average hourly rate (computed with the Hardware plug figures) was moderately lower than SGT's. These cost variances did not offset the significant differences in Mission Suitability between the two offerors.

In view of the preceding discussion, I conclude that the MEI proposal represents the best value to the Government. Consequently, I have selected Muñiz Engineering, Inc. for award of the Electrical Systems Engineering Services contract.

Michael Ryschkewitsch
Director of Applied Engineering
and Technology Directorate

January 4, 2005
Date